Before the
Federal Communications Commission
Washington, D.C. 20554

IN THE MATTER OF	)	
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LIFELINE AND LINKUP REFORM AND MODERNIZATION	)	WC DOCKET NO. 11-42
	)	
FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE	)	CC DOCKET NO. 96-45
	)	
LIFELINE AND LINK UP	)	WC DOCKET NO. 03-109

COMMENTS OF YOURTEL AMERICA, INC.

Introduction

YourTel America, Inc. ("YourTel" or "Company"), respectfully submits these Comments in response to the March 4th, 2011 FCC's Notice of Proposed Rulemaking seeking comments on the Joint Board's Lifeline and Link Up reform recommendations, proposals to reform and modernize the aforementioned programs, proposals to streamline and approve program administration and best position these programs to meet low-income consumer Broadband needs.1

YourTel is a small, minority owned telecommunications carrier headquartered in Kansas City, Missouri that provides local and long distance services to low-income customers in Kansas, Missouri, Oklahoma and Illinois. YourTel has been designated as a Lifeline and Link Up wireline ETC by the public utility commissions in Kansas, Missouri, Oklahoma and Illinois, a Lifeline and Link Up wireless ETC in Kansas, Missouri and Oklahoma, an active participant in

[1] *See Notice of Proposed Rulemaking*, WC Docket No. 11-42, CC Docket Mo. 96-45, WC Docket No. 03-109, FCC 11-32 (rel. Mar. 4.2011).

the USF low-income Lifeline and Link Up program since 2003 and a consistent vocal supporter of Broadband access for the underserved. The vast majority of YourTel's customers are Lifeline eligible, are still struggling to gain affordable access to basic telecommunications services and the information superhighway, 95% of them did not have telephone service prior to purchasing YourTel's services and virtually none of YourTel America's lifeline customers have Broadband. Therefore, YourTel is well positioned to provide experienced comment and insight on the issues and questions raised in this NPRM and thus provides such as follows.

COMMENTS

Duplicate Reimbursement

YourTel recommends that the FCC move quickly and deliberately to build a national database, which will allow carriers to know easily whether a prospective customer is currently receiving Lifeline service at their "household" address, whatever the final definition should be. In this way, the FCC would be able to resolve its concerns over duplicative Lifeline subsidies in a single household.

However, YourTel points out there are situations where duplicative use of an address may be appropriate. For example, group living facilities and tribal communities are organizations who frequently use shared postal addresses, making it difficult to serve these consumers some of whom are in fact in the greatest of need. A flexible definition of address and household is needed in these situations in order to ensure the goal of increased subscribership is met. It is important to note that these organizations already understand the value of telephone (and, in the future, broadband) service made accessible through the Lifeline program and could participate by working with the database administrator to establish the eligibility profile for the group living facility or tribal area by identifying separate "households" sharing a common delivery address which would then be populated into the database and used by the ETC to validate the subscriber.

In addition, many consumers share a residence with multiple families in the same structure (i.e., mom upstairs, adult daughter and her family downstairs). These should be considered different households. The recession has forced a section of the American population who, while living in a separate structure would have been considered an eligible household, to move back "home" or combine households. Whatever Commission action is taken should not now penalize them at a time when eligibility for a discounted phone service may be exactly what they need to restore their previous situation. The Commission needs to recognize the complex family units that exist today and that require sustainable phone service; something which cannot be accomplished by sharing an essential service.

The NPRM also proposes "that USAC be required to seek recovery for funds from all ETCs with duplicates for the applicable period"…" the period beginning at the time a duplicate is identified until the time at which it can be demonstrated that the consumer or household is no longer receiving duplicate benefits."[2] YourTel disagrees with this approach. Transitioning to an upfront system-based prevention of duplicates is the key opportunity here, not implementing a process that implements a burdensome and convoluted reparation procedure. The prevention of duplicates could be achieved with the right initial information. For example, in the current process of setting up service for a Lifeline customer, YourTel asks a number of questions of the applicant but ultimately is limited technologically and legally to ensuring the information being provided is indeed accurate. YourTel always inquires if the qualifying customer has service with any other provider. If the response is yes, then YourTel or the customer notifies the existing

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[2] *See Notice of Proposed Rulemaking*, WC Docket No. 11-42, CC Docket Mo. 96-45, WC Docket No. 03-109, FCC 11-32 (rel. Mar. 4.2011), para. 62.

carrier depending on the situation. Furthermore, our certification form explicitly informs the customer of the rule. (See Exhibit A at the end of this document). If the response from the qualifier to the previous question is no, then YourTel gives the customer a new phone number and Lifeline service. In some cases our databases or those of underlying carriers will indicate existing service, which we resolve with the customer prior to providing the new Lifeline service.

YourTel also disagrees with the proposal that "… the carrier that has provided continuous Lifeline service to the customer for the longest period of time would continue to receive Lifeline support and the other carrier would no longer receive support for that customer."[3] Given that it is possible that the "other carrier" may have just completed a valid request for a change in service from the customer, this proposal appears to hint that the losing carrier would win the customer back, a process and regulatory issue that has implications outside of this NPRM. Penalizing a winning carrier due to an inadequate backend process on the part of the losing carrier is misdirected and invalidates customer choice. In addition, the carrier should not be forced to forgo support during this process. Many companies like YourTel have focused their entire business on these needy consumers and should not be penalized for the growing pains of an underutilized program.

The Commission should also allow the ETC to contact the customer in any duplicative support situations instead of relying on USAC to contact the customer. It is the carrier that has developed the relationship and contact with the customer, not USAC. The ETC should be encouraged to resolve the situation and provide a recertification form to USAC thereby reducing the cost of resolving the duplication and, in the case of YourTel, leveraging the established contact we already have with our customers in our neighborhood locations.

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[3] *Ibid.,* para. 60.

Finally, YourTel cautions the Commission to tread lightly in the area of barring customers from the programs and to factor in such issues as identity theft. Removing repeat offenders may be an option but not at the expense of those who rely on the programs and are legitimately enrolled but face further loss due to identity theft.

While YourTel understands that the problem of duplicate Lifeline service may exist, there is far too much focus in this NPRM on post-discovery "what if" situations. The focus needs to be on upfront identification and verification using systematic tools. YourTel encourages the Commission to take the time needed to implement those and make the Lifeline program proactive instead of rushing to make the programs more reactive and process heavy due to perceived issues.

Pro Rata Reporting Requirements

The FCC proposes "…to codify the rule that all ETCs must report partial or pro rata dollars when claiming reimbursement for Lifeline customers who receive service for less than a month."[4] In the wireline world, while requiring additional work, it has always been the practice of YourTel to calculate and include pro rata amounts on Form 497. However, YourTel feels this is another area that could use clear instruction and clarification from the FCC. For example, the instructions for Line 9 include the sentence "Amount should be reported in whole dollars, and may be either positive or negative, depending on whether there are more new subscribers being added part way through a month or more subscribers disconnecting during the reported month."[5] While it is true that under the above scenario the amount could be positive or negative, this guide fails to also consider the scenario that includes less subscribers being added early in a month and

[4] *Ibid.*, para. 67
[5] *Form 497, Lifeline and Link Up Worksheet*, page 4.

more subscribers being removed late in a month. As this form provides the vehicle upon which support requests ride, driving instructions need to be clear.

Regarding wireless, prorating for prepaid wireless service should not be held to the same standard, as the consumer can use all of the minutes given in their monthly plan on the first day of service.

Link Up

While YourTel supports, in the interests of predictable growth and the elimination of risk of incorrect interpretation of rules, any clarity the FCC may impose, it should not come at the expense of CETCs. As YourTel's business model is primarily Lifeline, there is no other place to recover our customary costs associated with the activation of a customer's service. We pride ourselves on this worthy focus and should not be forced to drastically change our business so we can fulfill our mission. The realities of the low-income world YourTel has served for 16 years will always result in a low revenue subscriber base that cannot be subjected to contracts and early termination fees. The reality requires the use of Link Up to cover the many costs associated with finding and starting service for eligible consumers. Ignoring this reality in the establishment of rules for the fund will imperil it to return to its underutilized past.

Customer Usage of Lifeline-Supported Service

This NPRM asks seeks comment on "…whether a customer's failure to use service for a specific period of time may reasonably demonstrate, or serve as a proxy for, service discontinuation. If so, we seek comment on whether 60 days is a reasonable period, or whether the period of inactivity should be shorter (*e.g.,* 30 days) or longer (*e.g.*, 90 days)."[6] And, "To protect consumers, we propose to require ETCs to alert customers if the ETC imposes any obligation to use service during a specified period of time in order to maintain subsidized service."[7]

YourTel believes that a minimum some notice time to alert a non-usage generating customer to an approaching service discontinuation timeline is appropriate. For the very reason the Commission provides, that some people use their phone sparingly, we advocate for a 90 day period of inactivity before a phone number can be regarded as eligible for service discontinuation as well as notice period of 30 days in advance of such discontinuation. Again, from YourTel's experience in serving this customer base comes the recommendation that while some definition to the plan provides good guidance, flexibility is required. This alert should be able to take the form of a text or other reasonable means of confirmation that does not unduly burden consumers.

The NPRM also asks about the Joint Board's proposal that service with no monthly charge be dis-allowed, question the frequency of collection and cite the possibility that in tribal areas the current $1 is not being collected.[8] In response, YourTel feels that the prohibition of no-fee entry plans is a barrier to growth and would impede new market entry, both especially detrimental to competition. Competition will ultimately self-regulate this concern as companies begin to compete past the current "free" market to serve a customer base that does ultimately want what everyone else wants.

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[6] *Ibid*., para. 82
[7] *Ibid*., para. 83
[8] *Ibid*., paras. 85-92

Audits

The FCC seeks comment on the current audit process and proposes one-year audits for all new ETCs, comments on repeat offenders and the possibility of requiring ETCs to hire an independent firm at the ETC's cost to measure compliance with the programs. [9]

It is the view of YourTel that the current audit process is burdensome and, more importantly, inconsistent. A first year audit is a good idea, but "new carriers" should not necessarily mean companies that have been in business for many years and are now expanding. It would be wasteful to audit the same company in many new states and would thwart the goal of the program by tying up extra resources for what are essentially duplicative audits. Some of these audit issues may be solved if statutes and orders were written in clear, black and white language up front. YourTel encourages the Commission to make any new direction that might come out of this NPRM to fall under the "no gray area" approach. Additionally, any questions that might arise for clarification should be answered quickly. For example, the recent direction given to USAC regarding an ETC's requirement to separately identify each supported service in its advertisements was delivered over nineteen months after the request for clarification.[10] Such delays must be a thing of the past.

One-Per-Residence

In contrast to the concerns about duplicate claims the FCC asks how to define a household, but opens the door to discuss "Would allowing support for one wireless subscription per eligible adult be inconsistent with our statutory obligation to ensure that support is sufficient,

[9] *Ibid*., paras. 95-102.
[10] *See DA-11-632, April 7, 2011 Letter from Sharon E. Gillet, Chief, Wireline Competition Bureau to Richard A. Belden, Chief Operating Office, USAC.*

but not excessive?"[11] Furthermore, the FCC specifically proposes "…a rule in section 54.408 to limit program support to a single subscription per U.S. Postal Service address, and seek comment on whether this approach would promote affordable access to telephone service consistent with the goals of section 254. Under this proposal, where unrelated individuals and/or families share a U.S. Postal Service address, such individuals and/or families would be limited to one subscription for that "residence.""[12] The FCC states that "Under the current proposed rule, related or unrelated, living together at a single postal address, residents of a group living facility—which could be dozens or even hundreds of individuals—would be eligible for only a single Lifeline supported service."[13]

In reality, this is an excellent time for the FCC to drop the whole out-dated idea of "single residences" and provide service to people, not places. The goal of Universal Service is to get *people* connected. Sharing of service is precisely why low-income consumers have had issues with credit. You simply cannot control something you share, even amongst roommates and family. Therefore, YourTel advocates for defining in certain circumstances those who reside together as a separate household. As a reasoned limit on the fund the Commission should allow up to 2 per address, in circumstances where there are to two different households. Furthermore, as stated previously, persons in group homes should be considered different and eligible households even if sharing the same postal address, and should be managed via the database

Tribal Lifeline Eligibility

The Commission proposes "… to amend section 54.409(c) of the Commission's rules to allow program eligibility for residents of Tribal lands participating in…" the Food Distribution

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[11] *See Notice of Proposed Rulemaking,* WC Docket No. 11-42, CC Docket Mo. 96-45, WC Docket No. 03-109, FCC 11-32 (rel. Mar. 4.2011), para. 110.
[12] *Ibid.,* para. 111
[13] *Ibid.,* para. 122.

Program in Indian Reservations (FDPIR.). YourTel endorses the addition of this program given that it is not currently available and is meritorious in its intent. YourTel has already endorsed the addition of this program to the list of eligible programs in the state of Oklahoma and that Commission has seen fit to add it to the list of approved programs in its current OUSF rulemaking. [14]

YourTel also endorses any clarification on income eligibility and expansion of eligibility into areas that include Tribal groups and communities. But feels compelled to point out that in jurisdictions where income verification exists we have had very few consumers even attempt the burdensome qualification process. This is not to suggest the commission disallow the use income verification - as it would open up benefits to those too proud to ask for other types of assistance - but to recommend a process that is consumer friendly.

Constraining the Size of the Low-Income Fund

The FCC poses the question "In light of concerns about the growth of Lifeline/Link Up, we seek comment on a proposal to cap the size of the Lifeline/Link Up program, for example at the 2010 disbursement level of $1.3 billion. We ask whether and how a capped fund could continue to ensure telephone access for low-income households and support potential expansion for broadband as discussed below. We seek comment on whether any cap should be permanent or temporary, perhaps lasting for a set period of years or until the implementation of structural reforms proposed in this Notice. [15]

YourTel believes that any discussion regarding a cap for these programs is a discussion that should be eliminated. Small carriers like YourTel, who are growing, investing and creating

[14] *See Oklahoma Corporation Commission, Cause No. 201000006, Permanent Rulemaking, Proposed Rules, page 13.*
[15] *Ibid.*, para. 145.

jobs already face other regulatory uncertainties, such as a broken wireline wholesale market and a lack of viable access to broadband. The FCC has already recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund as it declared that "any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline and Link-Up programs, furthering the statutory goal of providing access to low-income consumers."[16] It is important to recognize that in the case of Lifeline and Link-Up support, an ETC receives USF support only for the customers it obtains. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the "capturing" ETC provides Lifeline discounts and as a result, only the "capturing" ETC receives support reimbursement. Looking at the increase in funding that the Lifeline and Link Up programs have recently provided should not be regarded as a flag that the programs are broken but rather an indication of success by ETCs reaching out to (unfortunately) a growing population of eligible applicants. Perhaps a discussion of expanding the contribution base would be more beneficial than capping a program that is finally beginning to achieve its mission thanks to real competition.

Eligibility Criteria for Lifeline and Link Up

In response to the FCC's thoughts regarding eligibility criteria, [17]YourTel is in favor of putting in place a set of federal default qualifying programs amongst all states but encourages the view that the word "default" doesn't mean states cannot use their own wisdom and history. For example, the USDA program Women, Infants, Children (WIC) appears to be a recent federal program that could be an additional proxy for Lifeline eligibility and could be added by states that see it as beneficial. It is also important that states be allowed to continue to add to these lists

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[16] *TracFone Forbearance Order*, at ¶ 17.
[17] *See Notice of Proposed Rulemaking*, WC Docket No. 11-42, CC Docket Mo. 96-45, WC Docket No. 03-109, FCC 11-32 (rel. Mar. 4.2011), page 51.

income-based programs specific to their areas. This approach would establish a base line of qualifying customers while providing the opportunity to increase eligible subscribership locally.

YourTel believes there are many potential customers who simply do not want to participate in programs like S.N.A.P. and Medicaid but would like affordable telephone service. If we can find away to include these consumers it would help more consumers achieve sustainable adoption. YourTel suggests once we have established the national database and overcome the current growing pains of success we look to use the database to reach out to those we seek to serve by reopening the discussion and seeking new ways through technology to facility the success of competitive carriers who serve the underserved

Certification and Verification of Consumer Eligibility for Lifeline

Currently, there is nothing more confusing and diverse than procedures for certification and verification for these programs. States have implemented so many various additional procedures and requirements that an ETC doing in business in multiple states can have that many different processes in place in order to provide what is, in reality, simply the same Lifeline service to a customer. If there is an opportunity for the Commission to get everyone on the same page, it is in these areas of certification and verification. Additionally, the Commission should make it known that if a carrier is granted ETC status for purposes of receiving federal support only and will not be receiving state support, then that state should be appropriately limited in its rule setting but not necessarily in its enforcement duty, as the states have historically been active in this important role.

Self-certification is a process that is working today. If the concern is that this has led to waste, fraud and abuse, then this is because the adequate checks and balances are not in place or they are not being enforced. However, should the Commission decide that self-certification is no longer a valid process and will require applicants to present documentation in addition to completing an application, then it must address the question of retention of these documents. Currently, some states require copies of this documentation to be retained; others just require presentation while still others don't require presentation at all. Any move to a standard that includes the processing of additional documentation should not include the further additional burden of the carrier being required to then maintain these personally sensitive documents. The more emphasis the Commission places on the process the more difficult it becomes for the program to be easily manageable, the less opportunity these consumers have to get phone service and eventually broadband.

The ultimate and important goal the program needs is automation. If rules are going to be in place to ensure the integrity of the program and its participants, then nothing is going to make that harder than effecting new rules that will just require additional manual touch points. It defeats the purpose. It is for these reasons that the discussion regarding a national database is of utmost priority.

Database

The FCC proposes to develop a national database to "verify consumer eligibility, track verification and check for duplicates to ensure greater program accountability". [18] With this NPRM, it appears that a database will be essential in implementing a strong and cohesive future for these programs and eliminating the opportunity for interpretation by carriers, states and USAC. As it has in the past, YourTel again strongly encourages the development of such a system so as to eliminate administrative burdens, remove any doubt and the opportunity for fraud

[18] *Ibid.*, para. 207.

from the business. A database that allowed an ETC to certify the consumer and then entered them into the national database would be an immediate method to identify duplicates.

Electronic Signatures

The Commission seeks comment on whether anything needs to be amended to make sure it is clear electronic signatures are acceptable under the E-Sign act. They also seek comment on whether "whether an IVR telephone system is an acceptable method to verify a consumer's signature under sections 54.409(d) and 54.410 of the Commission's rules." [19]

YourTel's experience clearly has taught us that the diversity of our customers warrants options and flexibility. Both of these would constitute an option for customers already burdened by economic challenges and should be implemented.

Consumer Outreach and Marketing

During the past seven years, YourTel has invested over 6.4 million dollars in advertising the availability of the supported services in the markets it serves by using such outlets television, radio, print and mobile ads. It has done this, on its own initiative, under the Commission's guidelines, as YourTel takes its mission of providing phone service to low-income consumers seriously. YourTel is an example of an entrepreneurial, competitive Lifeline provider. Therefore, YourTel is not in favor of mandating potentially onerous outreach and marketing rules such as the costly ones dictated for ETCs for the digital television conversion. Clearly, as exemplified by YourTel, the current guidelines provide enough direction, opportunity and flexibility to expand Lifeline subscribership without the need for additional government regulation. Additionally, Lifeline funds could be allocated at a state level for statewide outreach in furtherance of the

[19] *Ibid.*, paras. 224-225

program and we would gladly partner and assist anyone interested in helping bring the message of affordable service to eligible consumers.

Support Amounts for Voice Service

SLC (Tier 1)

Yes, the Commission should decide to restructure the tiers in an attempt at standardization. YourTel would like to take this opportunity to encourage the Commission to implement a separation of Tier 1 from the ILEC SLC. It makes no sense that a competitive carrier should have its rates determined by another carrier in any market and that competitive carriers must continue to monitor and adjust its rates and revenues because of an arcane system of legacy rules.

Support for Broadband

As was expected in the NPRM, the Commission asks for comment on "whether the Commission should amend the definition of Lifeline to explicitly allow support for broadband."[20] YourTel has gone on the record in support of this expansion and continues to express such support in this proceeding as well. YourTel reminds the Commission that as a small carrier it has the flexibility and experience to move quickly in implementing such an option or participating in any proposed trial and long term solution, however we respectfully remind the commission that it must first address the existing market failure in the wholesale wireline market that prevents access to a viable broadband product for competitive carriers

[20] *Ibid.*, para. 274.

CONCLUSION

In closing, YourTel would like to stress that whatever the Commission decides is best for the life of the Lifeline and Link Up programs, those decisions should be clear and, in the spirit and intent of the program, universal. Though it is important to remember that the program has been successful in many ways, there is a reason for the escalating call for a national database; the burdensome, often manual and interpretive nature of the program up to this point will not support it for the future and the potential application of it to Broadband. Temporary measures are unfair to customers and any procedures considered should include the results of procedural verification from their vantage point.

YourTel looks forward to continued participation and support of the Lifeline and Link Up programs.

Respectfully submitted,

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Dated: April 21, 2011

EXHIBIT A

Application for Missouri Universal Service Fund
MISSOURI LIFELINE/LINKUP

You may qualify for a discount on your monthly telephone bill if you or a member of your household is receiving low-income benefit under certain programs.

- Lifeline is available to qualifying low-income subscribers for residence service.
- Linkup offers a 50% discount on the initial installation, on the basic installation. Link up is available for a first time only at the applicant's principal place of residence.
- Missouri Lifeline subscribers certified under a Low-Income program will receive a reduction equal to $13.50 per month, as follows:

State Universal Service/Company Matching	$3.50	*Federal Tier 2*	$1.75
Federal Tier 1	$6.50 (applied to EUCL)	*Federal matching (Tier 3)*	$1.75

If you or a member of your household are receiving benefits from one or more of the programs listed below, please check all that apply, complete the remainder of the form, and return it to YourTel America along with documentation verifying participation in at least one of the programs selected. Documentation may include a benefit card or a letter to you or a member of your household from the federal, state or local agency that administers the qualifying program (fax 1-877-388-1083).

LOW INCOME PROGRAMS

☐ **Supplemental Nutrition Assistance Program (SNAP) f/k/a Food Stamps** ☐ **Supplemental Security Income**
☐ **Federal Housing Assistance or Section 8** ☐ **Low-Income Home Energy Assistance Program (LIHEAP)**
☐ **Temporary Assistance for Needy Families** ☐ **National School Lunch Program** ☐ **MO HealthNet f/k/a Medicaid**

I certify under penalty of perjury my household currently receives benefits from at least one of the programs above. I also certify that I will only receive one Lifeline connection and will not have simultaneous Lifeline connections with another provider. If I am participating in another Lifeline program at the time I apply for YourTel America Wireless Lifeline service, I agree to cancel that Lifeline service with any other provider. I agree to notify YourTel America immediately if my household ceases to participate in the program(s) listed above or changes to an alternate program not indicated. I hereby direct and authorize the agency who disperses benefits to me, or to an individual for whom I am legal guardian, to confirm and provide verifying documents to the Missouri Public Service Commission or any delegate thereof, current participation in a qualifying program. I confirm local voice service discounts under the low income programs are limited to one per household.

______________________________ Customer Signature
______________________________ Telephone Number Where You Can Be Reached

______________________________ Customer Name (please print)
______________________________ Address

______________________________ Your Home Telephone Number
______________________________ City, State, Zip Code

______________________________ Name of Qualifying Program Beneficiary (Please print)
______________________________ Signature of Qualifying Beneficiary or Guardian

COMPANY USE ONLY

I ______________________________ hereby attest that the supporting program documentation was presented and verified.
(Company Representative – *Please print*)

Company Representative Signature	Title	Date
ACCOUNT #	MOBILE NUMBER (if applicable)	ESN # (if applicable)

Please check one of the following:

NEW____________ RECERT________________ ADD LIFELINE______________